

STATE OF SOUTH CAROLINA

(Caption of Case)

Combined Application of South Carolina Electric & Gas Co. for a Certificate of Environmental Compatibility and Public Convenience and Necessity and for a Base Load Review Order for the Construction and Operation of a Nuclear Facility at Jenkinsville, SC

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2008 - 196 - E

(Please type or print)

Submitted by: Scott Elliott

Address: 721 Olive Street
Columbia, SC 29205

SC Bar Number: 1872

Telephone: 803-771-0555

Fax: 803-771-8010

Other: _____

Email: sellott@elliottlaw.us

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously

☐ Other: _____

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input checked="" type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other: <u>16 P. Duke</u>
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	<u>16 P. Duke</u>
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report	

ORIGINAL

ELLIOTT & ELLIOTT, P.A.
ATTORNEYS AT LAW
721 OLIVE STREET
COLUMBIA, SOUTH CAROLINA 29205
selliott@elliottlaw.us

SCOTT ELLIOTT

TELEPHONE (803) 771-0555
FACSIMILE (803) 771-8010

October 17, 2008

VIA HAND DELIVERY

Mr. Charles L.A. Terreni
Chief Clerk of the Commission
SC Public Service Commission
P. O. Drawer 11649
Columbia, SC 29211

RECEIVED
2008 OCT 17 PM 3:51
SC PUBLIC SERVICE
COMMISSION

RE: Combined Application of South Carolina Electric & Gas Company for a Certificate of Environmental Compatibility and Public Convenience and Necessity and for a Base Load Review Order for the Construction and Operation of a Nuclear Facility at Jenkinsville, South Carolina
Docket No. 2008-196-E

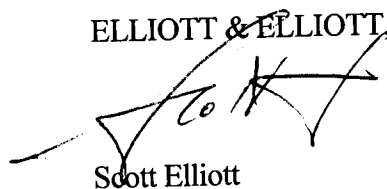
Dear Mr. Terreni:

Enclosed please find the original and twenty-five (25) copies of the **Direct Testimony of Kevin W. O'Donnell** filed on behalf of South Carolina Energy Users Committee in the above referenced docket. I have enclosed an extra copy of this testimony which I would ask you to date stamp and return to me in the stamped self-addressed envelope enclosed. By copy of this letter, I am serving all parties of record.

If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me.

Sincerely,

ELLIOTT & ELLIOTT, P.A.



Scott Elliott

SE/jcl

Enclosures

cc: Parties of record w/enclosures

State of South Carolina

Before the

South Carolina Public Service Commission

**In the Matter of:)
South Carolina Electric & Gas)
Combined Application for)
Certificate of Environmental Compatibility,)
Public Convenience and Necessity and)
For a Base Load Review Order)**

Docket No. 2008-196-E

RECEIVED
2008 OCT 17 PM 3:51
SC PUBLIC SERVICE
COMMISSION

Prepared Direct Testimony

of

Kevin W. O'Donnell, CFA

On Behalf of the

South Carolina Energy Users Committee

Oct. 17, 2008

1 Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS FOR
2 THE RECORD.

3 A. My name is Kevin W. O'Donnell. I am President of Nova Energy Consultants,
4 Inc. My business address is 1350 Maynard Rd., Suite 101, Cary, North Carolina
5 27511.

6
7 Q. ON WHOSE BEHALF ARE YOU PRESENTING TESTIMONY IN THIS
8 PROCEEDING?

9 A. I am testifying on behalf of the South Carolina Energy Users Committee (SCEUC), an
10 association of manufacturers active in many proceedings before the South Carolina
11 Public Service Commission (PSC or the Commission). SCEUC members take service
12 from South Carolina Electric & Gas Company (SCE&G or Company).

13
14 Q. PLEASE OUTLINE YOUR EDUCATIONAL BACKGROUND AND
15 RELEVANT EMPLOYMENT EXPERIENCE.

16 A. My educational background and experience can be found in Appendix A.

17
18 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

19 A. The purpose of my testimony is to present my recommendations to the
20 Commission in regard to SCE&G's application to construct two 1,117 MW
21 nuclear plants at the Company's existing Sumner Nuclear Facility located near
22 Jenkinsville, SC. I will focus my testimony on SCE&G's cost recovery plans,
23 allocations, and rate design.

24
25 Q. PLEASE EXPLAIN THE BASE LOAD REVIEW ACT AND HOW SCE&G IS
26 REQUESTING RECOVERY IN THIS PROCEEDING OF ITS COSTS
27 ASSOCIATED WITH THE PROPOSED NUCLEAR PLANTS?

1 A. The Base Load Review Act (BLRA) was intended to allow South Carolina utilities
2 to recover a portion of the costs of nuclear plants as they are built. As is the case
3 in the current proceeding, SCE&G will, on an annual basis, file a request with the
4 Commission to increase rates to bring Construction Work in Progress (CWIP),
5 into rates. By doing so, the Company will seek to increase rates each and every
6 year as the nuclear facilities are constructed.

7
8 The rate changes associated with the nuclear facilities will be in addition to the
9 current revenue requirement that already exists in the SCE&G rates. In essence,
10 the nuclear costs will be "layered" on top of the current rates paid by SCE&G
11 customers.

12
13 **WHAT ARE THE ANNUAL RATE INCREASES FORECASTED BY SCE&G**
14 **TO PAY FOR THE PROPOSED TWO NUCLEAR FACILITIES?**

15 A. In the table below, I have provided SCE&G's estimated annual rate increases as
16 well as the cumulative rate increase as proposed by the Company over the life of
17 the construction of the proposed nuclear plants.

Table 1: SCE&G Forecasted Rate Changes

Year	Annual Rate Change	Cumulative Rate Change
2008	0.49%	0.49%
2009	2.80%	3.30%
2010	2.80%	6.20%
2011	3.80%	10.23%
2012	3.50%	14.09%
2013	4.00%	18.65%
2014	3.70%	23.04%
2015	2.80%	26.49%
2016	1.40%	28.26%
2017	2.20%	31.08%
2018	3.10%	35.14%
2019	1.10%	36.63%
2020	-0.50%	35.95%

Source: Annual rate changes are from Exhibit M, Chart B of Application. Cumulative rate changes are calculated.

The above table shows that customers of the utility should expect rate increases starting in 2008 and continuing through 2019. In total, rates should increase by roughly 37% through 2019.

Q. PLEASE EXPLAIN HOW SCE&G CALCULATED THE ABOVE ANNUAL RATE INCREASES.

A. According to Exhibit M of the Company's application in this proceeding, SCE&G totaled the amount of CWIP it would incur and then derived an annual revenue requirement to support this amount of CWIP. The Company divided the annual revenue requirement by its estimated retail kWh sales to calculate the expected

1 per kWh cost for the plant addition. SCE&G then used a simple annual growth
2 calculation to derive the rate increases found in Table 1 above.

3
4 **Q. WHAT IS THE PER CLASS RATE INCREASE SOUGHT BY SCE&G IN THIS**
5 **PROCEEDING?**

6 A. Table 2 below provides the rate increase by class that the Company is seeking in
7 this case.

8
9 **Table 2: Requested SCE&G Rate Increases**

10

Customer Class	\$ Rate Increase	% Rate Increase
Residential	\$4,322,220	0.52%
Small Gen. Service	\$1,614,400	0.48%
Medium Gen. Service	\$1,009,991	0.51%
Large Gen. Service	\$2,034,588	0.44%
Total	\$8,981,199	0.49%

11
12 Source: Exhibit K, Chart A of SCE&G Application

13
14 **Q. DO YOU AGREE WITH THE RATE INCREASES SOUGHT BY THE**
15 **COMPANY IN THIS PROCEEDING?**

16 A. No, I do not. In the above calculations, SCE&G did not include wholesale sales in
17 the calculations of the above rate increases. By not allocating a portion of the
18 nuclear costs to its current wholesale customers, the Company is over-charging
19 current retail customers.

1 Q. CAN YOU DETERMINE HOW MUCH THE COMPANY WILL
2 OVERCOLLECT IN THE CURRENT CASE AS A RESULT OF ITS DECISION
3 NOT TO ALLOCATE ANY NUCLEAR CONSTRUCTION COSTS TO
4 WHOLESALE CUSTOMERS IN THIS CASE?

5 A. Yes. In the Company's 2008 fuel case, it used a summer, 2007 peak demand
6 allocation factor to allocate environmental costs to the various rate classes. In that
7 case, SCE&G used a 5.67% demand allocation factor (Source: Exhibit AWR-4 in
8 Docket No. 2008-2-E) to allocate environmental costs to the customer classes. If
9 SCE&G had used this same allocation factor in the current case, the rate increase
10 required in this docket would have been 0.46% instead of the Company's
11 requested increase of 0.49%. In my opinion, the Company should have used the
12 same demand allocation factor used in allocating environmental costs from the
13 fuel case to allocate nuclear costs in the current proceeding.
14

15 Q. CAN YOU CALCULATE THE REVENUE REQUIREMENT AMOUNT THAT,
16 IN YOUR OPINION, SCE&G SHOULD HAVE ALLOCATED TO CURRENT
17 WHOLESALE CUSTOMERS?

18 A. Yes. The Company is seeking revenue requirements in this case of \$8,981,199
19 from retail customers only. This request is excessive. If SCE&G had included
20 wholesale load in its demand allocation of revenue requirements in this case, the
21 total rate increase sought in this case would have decreased by \$509,234. Table 3
22 below shows the per class rate increase sought by the Company, the rate increase
23 by class had SCE&G included its wholesale load in its demand allocation, and
24 the dollar amount over-allocated to each customer class as a result of the
25 Company's decision not to allocate any costs to wholesale customers.
26

Table 3: Effect of Rate Changes Due to the Addition of Wholesale Load to Revenue Requirement Calculations

Customer Class	2008 Rate Change		
	Wholesale Excluded	Wholesale Included	Net \$ Savings
Residential	0.52%	0.49%	\$245,070
Small Gen. Service	0.48%	0.45%	\$91,536
Medium Gen. Service	0.51%	0.48%	\$57,266
Large Gen. Service	0.44%	0.42%	\$115,361
Total	0.49%	0.46%	\$509,234

For the foregoing reasons, the requested increase should be reduced by the above-stated \$509,234. If, however, the Commission finds the annual revenue requirement to use in this proceeding is a number other than the Company's requested amount of \$8,981,199, I recommend that the Commission revenue requirement figure be reduced by 5.67% so as to allocate to wholesale customers their fair share of the nuclear plant costs.

Q. WILL SCE&G HAVE THIS SAME LEVEL OF WHOLESALE SALES THROUGHOUT THE CONSTRUCTION PERIOD OF THE NUCLEAR FACILITIES?

A. No. Based on the testimony of Company Witness Lynch (direct testimony, p. 4, l. 13-15), SCE&G will, over the next few years, lose a large portion of its wholesale load as current customers are leaving the SCE&G system for other suppliers or for self-build options. Based on publicly available documents, Orangeburg is planning to leave the SCE&G system in May, 2009 thereby taking a load of

1 approximately 190 MW off the Company's system. Similarly, in 2010, SCE&G
2 will lose another 69 MW of wholesale load when two more customers leave the
3 Company's system.

4
5 The loss of all the above-stated wholesale load inevitably puts upward pressure
6 on retail rates as retail customers are then forced to absorb a greater amount of
7 nuclear construction costs.

8
9 **Q. WHY IS SCE&G LOSING THIS WHOLESALE LOAD?**

10 A. The wholesale market has been deregulated by federal authorities. As a result,
11 Orangeburg and other wholesale customers are no longer required to buy their
12 wholesale supplies from SCE&G. Similarly, SCE&G is no longer obligated to
13 serve its existing wholesale customers since, in theory, wholesale customers can
14 procure their power supplies from a multitude of possible vendors.

15
16 It is possible that Orangeburg and the other current SCE&G wholesale customers
17 may have received multiple power supply offers and simply chose to take a
18 more attractive power supply offer from another supplier. I was not involved in
19 the transactions that led these towns to terminate their relationship with SCE&G.

20
21 It is important to note that, at this point, it is unclear as to whether Orangeburg
22 will be allowed to enter into wholesale purchase agreements with Duke Energy.
23 On June 20, 2008, Duke Energy and the City of Orangeburg filed a motion
24 (Docket No. E-7, Sub 858) with the North Carolina Utilities Commission (NCUC)
25 in which both parties sought a declaratory ruling that the Duke/Orangeburg
26 wholesale contract, which will be based on native load priority, be treated for

1 ratemaking purposes in the same manner as contracts with existing wholesale
2 customers taking service from Duke. In its filing, Duke is not actually requesting
3 authority to sell power to Orangeburg. Instead, Duke is asking to treat, for
4 accounting purposes, the sale of power to Orangeburg in the same manner as it
5 treats sales of wholesale power to its existing customers. The motion also states
6 that Orangeburg expects to save approximately \$10 million per year by entering
7 into the proposed contract with Duke as opposed to continuing to buy its
8 supplies from SCE&G.

9
10 **Q. CAN YOU DETERMINE THE IMPACT ON SCE&G RETAIL RATES AS A**
11 **RESULT OF THE LOSS OF THIS WHOLESALE LOAD?**

12 A. There is no doubt that the loss of this wholesale load will have long-term
13 implications to the Company's retail customers in the form of higher retail rates.
14 Without the ability to allocate nuclear costs to Orangeburg and other wholesale
15 customers, retail customers must pay a proportionately higher portion of the
16 nuclear costs in the form of higher retail rates.

17
18 In Table 4 below, I calculated the cumulative rate impact of the Company's
19 proposed rate increases, which did not include any allocation to wholesale loads,
20 versus the rate increases had the current wholesale demand allocation of 5.67%
21 stayed constant throughout the construction period of the nuclear facilities. As
22 can be seen in this exhibit, retail customers of SCE&G will, by the end of the
23 construction period, pay rates that are approximately 3% higher than the rates
24 would have been otherwise had the Company not lost any of its wholesale load.
25 It is important to note that this 3% reduction in retail rates is permanent thereby
26 having a significant long-term impact on consumers taking service from SCE&G.

Table 4: Cumulative Impact if Wholesale Allocation Stays Constant

Year	Cumulative Rate Change Without Wholesale	Cumulative Rate Change With Wholesale
2008	0.49%	0.46%
2009	3.30%	3.10%
2010	6.20%	5.82%
2011	10.23%	9.68%
2012	14.09%	13.26%
2013	18.65%	17.54%
2014	23.04%	21.67%
2015	26.51%	24.93%
2016	28.26%	26.01%
2017	31.08%	28.74%
2018	35.14%	32.72%
2019	36.63%	33.76%
2020	35.95%	33.11%

Q. DO YOU HAVE ANY RECOMMENDATION TO THE COMMISSION IN REGARD TO THE WHOLESALE ALLOCATION IT MAY WISH TO CONSIDER IN FUTURE BLRA PROCEEDINGS?

A. I suggest that SCE&G, in the future, analyze each long-term wholesale transaction in terms of its ability to meet its capacity commitments as well as its impact on rates charge to retail customers, both in the short-term and the long-term.

My recommendation to the Commission is that it examine SCE&G's wholesale marketing activities each year during the Company's BLRA filing to see if the Company is doing all in its ability to sell as much wholesale power as possible so

1 as to minimize the impact of the nuclear construction on rates charged to
2 SCE&G's retail customers.

3
4 **Q. DO YOU HAVE ANY FURTHER RECOMMENDATIONS THAT MAY LEAD**
5 **TO LOWER RETAIL RATES FOR THE COMPANY IN THE FUTURE?**

6 A. Yes. According to p. 9 of the Company's Integrated Resource Plan (IRP), SCE&G
7 has over 200 MW of load that it can interrupt when it is in short supply of
8 capacity. At the present time, SCE&G offers discounts of \$2.75 per kW for the
9 right to interrupt industrial customers service for up to 150 hours per year and
10 \$4.50 per kW for the ability to interrupt service for up to 300 hours per year. In
11 the future, I would urge the Company to increase this discount so as to attract
12 more interruptible load. If the interruptible rate is further discounted and more
13 interruptible load is acquired from customers, the firm peak which the Company
14 must meet will decrease. Such a reduction in peak demand may, in turn, allow
15 the Company to sell more wholesale load into the secondary market thereby
16 allowing for a proportionately higher allocation of the nuclear costs to wholesale,
17 reducing rates charged to SCE&G's retail customers.

18
19 **Q. DOES THIS COMPLETE YOUR TESTIMONY?**

20 A. Yes, it does.

Appendix A

Kevin W. O'Donnell, CFA
President
Nova Energy Consultants, Inc.
1350 SE Maynard Rd.
Suite 101
Cary, NC 27511

Education

I received a B.S. degree in Civil Engineering - Construction Option from North Carolina State University in May of 1982 and a Masters of Business Administration in Finance from Florida State University in August of 1984.

Professional Certification

I am a Chartered Financial Analyst (CFA) and a member of the Association of Investment Management and Research.

Work Experience

In September of 1984, I joined the Public Staff of the North Carolina Utilities Commission as a Public Utilities Engineer in the Natural Gas Division. In December of 1984, I transferred to the Public Staff's Economic Research Division and held the position of Public Utility Financial Analyst. In September of 1991, I joined Booth & Associates, Inc., a Raleigh, North Carolina, based electrical engineering firm, as a Senior Financial Analyst. I stayed in this position until June 1994, when I accepted employment as the Director of Retail Rates for the North Carolina Electric Membership Corporation. In January 1995, I formed Nova Utility Services, Inc., an energy consulting

firm. In May of 1999, I changed the name of Nova Utility Services, Inc. to Nova Energy Consultants, Inc.

Testimonies

North Carolina

I have testified before the North Carolina Utilities Commission in the following general rate case proceedings: Public Service Company of North Carolina, Inc. (Docket No. G-5, Sub 200, Sub 207, Sub 246, Sub 327, and Sub 386); Piedmont Natural Gas Company (Docket No. G-9, Sub 251 and Sub 278); General Telephone of the South (Docket No. P-19, Sub 207); North Carolina Power (Docket No. E-22, Sub 314); Piedmont Natural Gas Company (Docket No. E-7, Sub 487); Pennsylvania & Southern Gas Company (Docket No. G-3, Sub 186); and in several water company rate increase proceedings. I also submitted pre-filed testimony, and/or assisted in the settlement process, in Docket Nos. G-9, Sub 378, Sub 382, Sub 428 and Sub 461, which were general rate cases involving Piedmont Natural Gas Company; in Docket No. G-21, Sub 334, North Carolina Natural Gas' most recent general rate case; in Docket No. G-5, Sub 356, Public Service of North Carolina's 1995 general rate case; and in Docket No. G-39, Sub 0, Cardinal Extension Company's rate case. Furthermore, I testified in the 1995 fuel adjustment proceeding for Carolina Power & Light Company (Docket No. E-2, Sub 680) and submitted pre-filed testimony in Docket No. E-7, Sub 559, which was Duke Power's 1995 fuel adjustment proceeding. I also submitted pre-filed testimony and testified in Duke's 2001 fuel adjustment proceeding, which was Docket No. E-7, Sub 685.

Furthermore, I testified in Docket No. G-21, Sub 306 and 307, in which North Carolina Natural Gas Corporation petitioned the Commission to establish a natural gas expansion fund. I also submitted testimony in the Commission's 1998 study of natural gas transportation rates that was part of Docket No. G-5, Sub 386, which was the 1998 general rate case of Public Service Company of North Carolina. In September of 1999, I

testified in Docket Nos. G-5, Sub 400 and G-43, which was the merger case of Public Service Company of North Carolina and SCANA Corp. I also submitted testimony and stood cross-examination in the holding company application of NUI Corporation, a utility holding company located in New Jersey, which was NCUC Docket No. G-3, Sub 224, as well as NUI's merger application with Virginia Gas Company, which was Docket No. G-3, Sub 232. I also submitted pre-filed testimony and stood cross-examination in Docket No. G-3, Sub 235, which involved a tariff change request by NUI Corporation. I testified in another holding company application in Docket No. E-2, Sub 753; G-21, Sub 387; and P-708, Sub 5 which was the holding company application of Carolina Power & Light. In June of 2001, I submitted testimony and stood cross-examination in Docket No. E-2, Sub 778, which was CP&L's application to transfer Certificates of Public Convenience and Necessity (CPCN) from two of the Company's generating units to its non-regulated sister company, Progress Energy Ventures. In November of 2001, I testified in Duke Energy's restructuring application, which was Docket No. E-7, Sub 694. In January 2002, I presented testimony in the merger application of Duke Energy Corp. and Westcoast Energy. In April of 2003, I submitted testimony in Dockets Nos. G-9, Sub 470, Sub 430, and E-2, Sub 825, which was the merger application of Piedmont Natural Gas and North Carolina Natural Gas. In May of 2003, I submitted testimony in the general rate case of Cardinal Pipeline Company, which was Docket No. G-39, Sub 4. In July 2003, I filed testimony in Docket No. E-2, Sub 833, which was CP&L's 2003 fuel case proceeding. I prepared pre-filed testimony and stood cross-examination in the merger application of Piedmont Natural Gas and Eastern North Carolina Natural Gas. In July of 2005, I prepared pre-filed testimony in Carolina Power & Light's fuel case in North Carolina. In August of 2005 I assisted in the settlement of Piedmont's 2005 general rate case. In June, 2006, I submitted rebuttal testimony in Docket No. E-100, Sub 103, which was the investigation of integrated resource planning (IRP) in North Carolina. Also in the month of June, 2006, I submitted

testimony in Docket No. G-9, Sub 519, which was the application of Piedmont Natural Gas to change its tariffs and service regulations. In August, 2006, I assisted in the settlement of the rate case of Public Service of North Carolina in Docket No. G-5, Sub 481. In December of 2006, I prepared direct testimony and stood cross-examination in Docket No. E-7, Sub 751, which was application of Duke Power to share net revenues from certain wholesale power transactions. In January, 2007, I submitted testimony in the application of Duke Energy in Docket No. E-7, Sub 790, which was in regard to the construction of two 800 MW coal fired generation units in Rutherford County, North Carolina. In June, 2008, I filed testimony in Duke Energy's Save-A-Watt energy efficiency filing.

South Carolina

In August of 2002, I submitted pre-filed testimony and stood cross-examination before the South Carolina Public Service Commission in Docket No. 2002-63-G, which was Piedmont's 2002 general rate case. In October of 2004, I submitted pre-filed testimony and stood cross-examination in the general rate case of South Carolina Electric & Gas. In March 2005, I prepared pre-filed testimony and assisted in the settlement involving the fuel application proceeding of South Carolina Electric & Gas. In April of 2005, I prepared pre-filed testimony and assisted in the settlement of Carolina Power & Light's fuel case in South Carolina. In March 2006, I assisted in the settlement involving the fuel application proceeding of South Carolina Electric & Gas. In November of 2007, I assisted in the settlement of the 2007 South Carolina Electric & Gas general rate case proceeding.

United States Congress

In May of 1996, I testified before the U.S. House of Representatives, Committee on Commerce and Subcommittee on Energy and Power concerning competition within the

electric utility industry.

I have also worked with North Carolina and South Carolina municipalities in presenting comments to the Federal Energy Regulatory Commission regarding the opening of the wholesale power markets in the Carolinas.

Publications

I have also published the following articles: Municipal Aggregation: The Future is Today, *Public Utilities Fortnightly*, October 1, 1995; Small Town, Big Price Cuts, *Energy Buyers Guide*, January 1, 1997; and Worth the Wait, But Still at Risk, *Public Utilities Fortnightly*, May 1, 2000. All of these articles dealt with my firm's experience in working with small towns that purchase their power supplies in the open wholesale power markets.

ORIGINAL

CERTIFICATE OF SERVICE

The undersigned employee of Elliott & Elliott, P.A. does hereby certify that (s)he has served below listed parties with a copy of the pleading(s) indicated below by mailing a copy of same to them in the United States mail, by regular mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below:

RE: Combined Application of South Carolina Electric & Gas Company for a Certificate of Environmental Compatibility and Public Convenience and Necessity and for a Base Load Review Order for the Construction and Operation of a Nuclear Facility at Jenkinsville, South Carolina
Docket No. 2008-196-E

PARTIES SERVED:

Belton T. Zeigler, Esquire Pope Zeigler, LLC P. O. Box 11509 Columbia, SC 29211	Nanette S. Edwards, Esquire Office of Regulatory Staff 1441 Main Street, Suite 300 Columbia, SC 29201
Shannon Bowyer Hudson, Esquire Office of Regulatory Staff 1441 Main Street, Suite 300 Columbia, SC 29201	K. Chad Burgess, Esquire Willoughby & Hoefer, P.A. 1426 Main Street, Mail Code 130 Columbia, SC 29201
Damon E. Xenopoulos, Esquire Brickfield Burchette Ritts & Stone, PC 1025 Thomas Jefferson St., NW 8 th Floor, West Tower Washington, DC 20007	E. Wade Mullins, III, Esquire Bruner Powell Robbins Wall & Mullins, LLC P. O. Box 61110 Columbia, SC 29260
Maxine Warshauer 3526 Boundbrook Lane Columbia, SC 29206	Joseph Wojcicki 820 East Steele Road West Columbia, SC, 29170
Lawrence P. Newton 57 Grove Hall Lane Columbia, SC, 29212	Mildred A. McKinley 2021 Carroll Drive West Columbia, SC, 29169
Pamela Greenlaw 1001 Wotan Road Columbia, SC, 29229	Robert Guild, Esquire Friends of the Earth 314 Pall Mall Columbia, SC, 29201
Ruth Thomas 1339 Sinkler Road Columbia, SC, 29206	David L. Logsdon SC Department of Commerce 1201 Main Street, Suite 1600 Columbia, SC, 29201
John V. Walsh, Deputy State Highway Engineer SC Department of Transportation	Roger Stroup, Director SC Department of Archives and History 8301 Parklane Road

 SO. CAROLINA
COMMISSION
OFFICE OF SERVICE

2008 OCT 17 PM 3:5

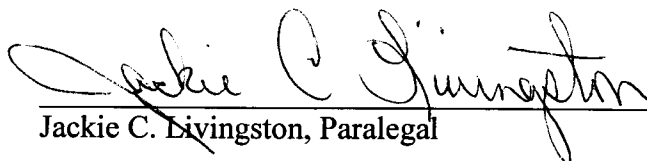
RECEIVED

Post Office Box 191 Columbia, SC, 29202	Columbia, SC, 29221
David Owen SC Forestry Commission Post Office Box 21707 Columbia, SC, 29221	Carlisle Roberts , Esquire SC Department of Health and Environmental Control Legal Department 2600 Bull Street Columbia, SC, 29201
John Frampton, Director SC Department of Natural Resources 1000 Assembly Street Columbia, SC, 29201	Chad Prosser, Director SC Department of Parks, Recreation and Tourism 1205 Pendleton Street Columbia, SC, 29201
Honorable Gregrey Ginyard, Mayor Town of Jenkinsville 366 Lakeview Drive Jenkinsville, SC , 29065	Mitchell Willoughby, Esquire Willoughby & Hoefer, P.A. Post Office Box 8416 Columbia, SC, 29202

PLEADING:

PRE-FILED DIRECT TESTIMONY OF KEVIN W.
O'DONNELL

October 17, 2008


Jackie C. Livingston, Paralegal